The stock market has had an astounding run over the past three months, or it had anyway, until the June 11 correction interrupted it. Even in the midst of the market's sharp selloff, the S&P 500 index of blue-chip stocks remained 35% above its March low. The tech-heavy Nasdaq was up 39%.

The fact is that the stocks that have led the recovery are still expensive and have little near-term upside. That's why I believe it's time to raise cash and look for companies that offer immense value, but that the market has left behind.

The bull market that followed the mid-March lows has been led by big companies in tech, communications and healthcare – sectors that were seen as good bets during a time of uncertainty. But having piled in and driven up prices, investors had already started rotating out prior to June 11.

The reason for the rotation is simple: With the market-leading sectors having grown prohibitively expensive, investors want alternatives with the potential for greater price appreciation. I agree that a lot of the big names out there are way too expensive right now. Zoom, the videoconferencing company, is up over 200%. Facebook is up more than 50% since mid-March. AstraZeneca, which is working on a Covid-19 vaccine, is up 34% from its March lows.

I have begun paring back winners and raising cash in accounts with low cash levels, which I'll use as buying opportunities arise.

The auto industry looks interesting right now – and I don't mean Tesla, whose sky-high shares are up 126% this year. Traditional automakers like Ford, whose stock has lost a third of its value since January, are worth checking out as the economy continues to reopen and stir-crazy families start to take trips. Note that Americans will be more likely to drive than to fly, given continuing concerns about being around strangers in enclosed spaces.

Certain energy companies are also interesting now that oil prices have rebounded to near $40 per barrel from negative valuations. Higher oil prices allow oil producers to pay their debt stay in business and make a profit.

I'd even look at airlines here, not as long-term investments but as short-term, opportunistic plays. Southwest Airlines stock, for example, has lost more almost 40% of its value since February. As Americans gradually begin to fly again, it and other airlines should be able to cut their losses and begin to recover – especially domestic travel-focused carriers like Southwest. But airlines' fortunes are particularly vulnerable to coronavirus news because their business model consists of jamming people together in closed-off spaces.

Indeed, the ongoing pandemic remains the greatest risk to the economy. Market watchers are hopeful that states can reopen safely, but are looking warily at a surge of new cases in several states.

The bottom line: The market has begun rotating out of the big, growth-oriented companies that led the way after the March lows. This is a good time to raise cash and pivot to selected, lower-priced stocks that could get a lift from the nascent economic recovery and the tailwind of market rotation.

Because the economy and the markets remain touch and go, and it's important to really do your homework before investing. Please give us a call if you'd like to discuss your investments.